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TO RUEHC/SECSTATE WASHDC IMMEDIATE 7092  
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RUCNASE/ASEAN MEMBER COLLECTIVE  
RUEHGG/UN SECURITY COUNCIL COLLECTIVE  
RUEHBY/AMEMBASSY CANBERRA 0854  
RUEHNE/AMEMBASSY NEW DELHI 4414  
RUEHUL/AMEMBASSY SEOUL 7945  
RUEHKO/AMEMBASSY TOKYO 5506  
RUEHCHI/AMCONSUL CHIANG MAI 1347  
RHHMUNA/CDR USPACOM HONOLULU HI  
RUCNDT/USMISSION USUN NEW YORK 1294  
RUEKJCS/SECDEF WASHDC  
RUEKJCS/JOINT STAFF WASHDC

C O N F I D E N T I A L SECTION 01 OF 03 RANGOON 000059

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DEPT FOR EAP/MLS, DRL, AND IO  
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TAGS: [PGOV](#) [PREL](#) [PHUM](#) [BM](#)  
SUBJECT: BURMA: ANGER AND TENSION IN KACHIN STATE

REF: RANGOON 38

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Classified By: P/E Chief Leslie Hayden for Reasons 1.4 (b) & (d)

11. (C) Summary: The situation in Kachin State has grown more tense since the September protests. During the protests, approximately 200 monks demonstrated in Myitkyina, led by the monks from the local monastery training school. Only one monk remains in prison today, but few have returned to the monasteries since the regime raided them after the protest. Kachin State's residents remain angry about the brutal crackdown and some believe there will be more demonstrations. The local economy offers few opportunities to the Kachins. The State's lucrative teak forests and jade mines are being sold to the Chinese and the regional commander pockets most of the profits. A key cease-fire mediator was uncharacteristically pessimistic about the roadmap, as few demands of the KIO are being met. End summary.

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What Happened in September  
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12. (C) During a recent trip to Kachin State, NLD organizing committee member Daw Ngwe Kyaing told pol/econ chief that during the week of September 23, 2007, approximately 200 monks peacefully marched in Myitkyina. Ngwe Kyaing reported that the monks from the local monastery training school had organized the protests, and suffered the most when the regime began to crack down on the protesters. Ngwe Kyaing told us that, unlike in Rangoon, ordinary people did not join the monks in protest, but instead watched respectfully. Many offered water to the monks. She continued that even though the local NLD members did not participate in the marches, several were detained after the protests. Ngwe Kyaing was detained in prison for 23 days and told us 28 monks were detained with her. All were interrogated, although she emphasized that she was not tortured or physically harmed, and saw no monks harmed either.

13. (C) Ngwe Kyaing noted that all the monks imprisoned after

the crackdown had been released, except for the senior monk at the monastery training school, whom the regime continues to detain. Ngwe Kyaing explained that the military and police beat the monks when they broke up the protests. They then raided the monasteries and forced most of the monks to leave, demanding that they return to their home villages. The largest monastery in Myitkyina had 150 monks before the protests, she said, but after the protests it was empty. Now only 30 monks have returned to live there.

14. (C) Ngwe Kyaing estimated there were 2,000 NLD members in Kachin State, but most were not very active in the party. The military and local police watched them closely, she noted. Ngwe Kyaing commented that she wished the NLD "Uncles" in Rangoon were more active, and jokingly added that Burma's problem was the two "Shwes": Senior General Than Shwe and NLD CEC Chairman Aung Shwe. Ngwe Kyaing recounted that she had been arrested several times and was ready to be arrested again if it would help bring freedom and democracy to Burma. Despite the obvious presence of Special Branch police, who followed pol/econ chief to the meeting, Ngwe Kyaing insisted on meeting us in her front yard, emphasizing that she had "nothing to hide."

15. (C) Ngwe Kyaing and three other NLD members we met with were enthusiastic about Aung San Suu Kyi's statement and UN Special Envoy Gambari's efforts to initiate a dialogue between the regime and the opposition. Gambari needs to work faster, they stressed, because the social and economic situation in Kachin State was rapidly deteriorating. The crackdown on the monks had caused outrage not only among the Buddhists in Kachin State, but the large Christian population as well.

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Unresolved Anger

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16. (C) Dr. Lu Jar, program coordinator for the Myitkyina office of the Burmese NGO the Metta Foundation, shared the sense of growing anger among Kachin State's Buddhist community. Lu Jar, herself a Christian, said she has been shocked at the level of animosity towards the regime among her Buddhist friends since the crackdown. She believes the monks will take to the streets again, and this time the people may join them. She pointed to growing resentment towards the regional commander and the local Chinese population, who were now, more than ever before, dominating Kachin State's economy.

17. (C) Lu Jar repeated a rumor we heard often in Kachin State, that the PRC had recently held a meeting in Yunan Province where they instructed Chinese merchants from Kachin State to buy up local land. The merchants had reportedly been told that the PRC would finance the loans and resolve any disputes that arose with local or regional authorities. Lu Jar took us outside of Myitkyina to show us examples of the deforestation that plagues the State, and also showed us the forest conservation area administered by one of the Embassy's small grantees. The difference was stark. Locals are desperate to conserve their forests, which are increasingly in danger from both commercial logging and locals who strip the forests for firewood. Most roads in Kachin state remain rocky and unpaved, except for a few roads that the Chinese have built to facilitate logging trucks moving their goods to the Chinese border.

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Dripping with Jade  
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18. (C) More than any other place pol/econ chief has visited, anti-Chinese sentiment in Kachin State is public and strong. The Chinese truck away massive amounts of logs and jade,

while the regional commander and his cronies pocket the profits. Not all Kachin businessmen are suffering, though. Kachin Jade mogul Yup Zau Khawng's local nickname is the "Deputy Regional Commander" for his close relationship with Northern Commander Major General Ohn Myint, who allows him to run several local jade mines. Yup Zau Khawng was the host of this year's Manao festival, celebrating the 60th anniversary of Kachin State. Yup Zau Khawng's wife and several wives of prominent KIA generals were literally dripping with diamonds and imperial jade at the festival. Locals we met at the festival told us Yup Zau Khawng was the richest man in Kachin State, but added that he had been required to finance many projects for the Northern Commander in order to keep his jade mining concession. Young people with whom we spoke during the two nights at the Manao festival talked scornfully of Yup Zau Khawng. They considered him a regime collaborator who was selling the future of Kachin State for personal profit.

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Where do we go from Here?  
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¶9. (C) Saboi Jum, Director of the Shalom Foundation, who acts as a peace broker between the regime and the KIO, was uncharacteristically worried and pessimistic about relations between the regime and the KIO. Saboi Jum is usually upbeat with us, and has always defended the regime's seven-step roadmap and the KIO's cease-fire agreement with the Burma Army. This time, Saboi Jum complained bitterly that the regime did not include any members of the KIO on the constitution drafting committee, as he said they had promised to do. Saboi Jum said that the regime was not willing to compromise on any aspect of the roadmap. Many KIO leaders would be satisfied with just a change in the strict amendment procedure the regime forced delegates to adopt at the National Convention. This small but significant change would allow the ethnic nationalities to feel they had more control over their future and would instill much needed trust into the roadmap process, he argued. Instead, the regime was moving ahead with the roadmap on its own and ignoring key

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demands of the ethnic cease-fire groups (reftel).

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Comment  
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¶10. (C) The ever-increasing gap between what the cease-fire groups expect and what the regime is willing to give is a recipe for instability. While a few KIA commanders and cronies continue to get rich off their deals with the regime, young Kachin are getting little out of the arrangement. They are increasingly frustrated with the lack of opportunities available to them and are tired of watching the profits from their state's rich natural resources go to the Chinese and the regional commander. Meanwhile, the wounds from September are still raw in Kachin State and there is a palpable anger that shows the regime's forced-march roadmap will not lead to national reconciliation. End comment.

VILLAROSA